2008 State of Transportation Address Pete Rahn Director, Missouri Department of Transportation February 6, 2008

Lt. Governor, Mr. Speaker, Mr. President Pro Tem, Distinguished State Officials, Members of the 94th General Assembly, Members of the Missouri Highways and Transportation Commission and Citizens of Missouri:

The road to credibility is a long one. The road to discredit is not. Credibility takes a long time to build, but it can be torn down in a matter of seconds.

The road to credibility is paved with openness and honesty; dedication and hard work; success and commitments met; an innovative spirit and efficient approaches. This journey takes years to travel.

Discredit can come from one misstep. One poor decision. One catastrophic event handled poorly. It is less a journey than a trap door that sends an organization's reputation plummeting.

In 2003, many Missourians including the General Assembly believed that the trap door had fallen out from under the Missouri Department of Transportation. That is when this speech was created to increase our accountability.

A law requiring the director of MoDOT to report annually from this dais mandated a level of scrutiny, a level of accountability never before applied to a state agency. We have taken this responsibility seriously and have endeavored to present an enlightening report each year.

The first address was given in 2004 with a promise that a new day had dawned at MoDOT. In 2005, I reiterated that pledge and further promised that we would be a model for what today's state government should be - efficient, streamlined, forward thinking, results-driven and customer-oriented.

We have worked hard to become that kind of agency. Our focus has been on delivering results. Rebuilding trust. Demonstrating to you that we are an organization worthy of your support. Each year, during this address, I have reported to you regarding our progress toward these goals. Our progress along the road to credibility.

The State of Transportation Address was created five years ago with a five-year sunset clause. Dramatic improvement was expected or the General Assembly could extend this accountability measure beyond five years. With that in mind, I am proud to say this is the fifth and <u>final</u> State of Transportation Address!

I believe the elimination of this speech sends a clear signal that MoDOT has regained its

footing and your trust. Five years ago we faced uncertainty, but today there is no doubt - we've come a long way in a short time. A long way down the road to credibility.

Today, I am happy to report that we have reached our destination. Perceptions have changed and it is now a reality -- the state of transportation in Missouri is strong and the state of your department of transportation is even stronger. We have regained our credibility and then some. The proof is in the results. Just look how far we have come.

The result that motivates us everyday is the safety of our citizens. We have gone from a state where an obscene number of our family, friends and neighbors were dying on our roadways to a state that leads the nation in reducing traffic fatalities.

In 2006, there were 868 fewer deaths on America's roadways. Missouri accounted for 161 of those lives saved. That means that a state that makes up less than 2 percent of the nation's population accounted for 19 percent of lives saved on America's roads. We led the nation in lives saved. That is proof of how far we've come.

In 2007, the great news continued. Together with the Highway Patrol, the Missouri Coalition for Roadway Safety and highway safety advocates throughout our state, we experienced 118 fewer deaths on our roads.

That reduction in fatalities put us below 1,000 for the first time since 1993, which met the goal of the Coalition for Roadway Safety a full year early.

Our work, however, is not finished. We have come a long way in reducing deaths on our roadways. We could have saved even <u>more</u> lives with a primary safety belt law - 90 more lives this last year alone.

Additionally, while highway fatalities are down overall, deaths among motorcyclists are up. We must have a renewed focus on motorcycle safety and I urge you to <u>never</u> add to these deaths by repealing Missouri's helmet law.

We must also ensure that law enforcement officers have the tools they need to help keep our roads safe. I commend Sen. Ryan McKenna for proposing a dedicated revenue stream for the Highway Patrol that will mean more funding for law enforcement and more lives saved on Missouri's roadways.

We have come a long way decreasing fatalities and part of the reason is that Missouri's roads have gotten smoother and safer -- soon.

In 2006, we delivered 2,200 miles of smoother, safer roads a full year ahead of schedule. We are now building on that success with our Better Roads, Brighter Future initiative which will result in 5,600 miles of major roads with smooth pavement; brighter, wider striping; larger signs; rumble stripes; and, in most cases, a minimum four-foot paved shoulder all by 2012.

With just one year of Better Roads, Brighter Future completed, 78 percent of our major roads are now in good condition as compared to 44 percent just five years ago. That is progress that benefits all of us. That is an example of how far we've come.

The vast improvement of our highway system has gained national attention. The respected Reason Foundation released a report in 2007 analyzing the overall performance of every state's highway system.

Missouri climbed from 39th to 17th between 2000 and 2005 including an eleven-spot jump from 2004 to 2005 - the second biggest improvement in the country. And that was prior to the full effects of the Smooth Roads Initiative or any of the positive improvements through Better Roads, Brighter Future, which will undoubtedly move us up the rankings in future years.

The Reason Report also cited MoDOT's low administrative costs, making up only two percent of our budget, as playing a key role in the performance of our highway system. Missouri was listed as having the third lowest administrative costs per mile of any state in the nation. Our performance is being recognized nationally and is improving everyday. That is proof of how far we've come!

We are delivering significant results for the people of Missouri and we are saving them significant money while we do it.

Construction contracts awarded in Fiscal Year 2007 came in 7.4 percent under budget. That was a 90 million dollar savings - 90 million dollars more for road and bridge improvements. For Fiscal Year 2008, so far we are at 114 million dollars or 14 percent under budget.

Additionally, all projects in our five-year plan that were sped up due to Amendment 3 funding have been awarded to a contractor. With 100 percent of these projects under contract, we came in at four percent under budget. That is even more savings for even more highway improvements. That is an example of how far we've come!

But, construction is not the only place we are saving money. We have reduced workers compensation costs seven million dollars. That savings comes from an unwavering emphasis on worker safety that delivered a 69 percent reduction in lost work days, which also means MoDOT employees are more productive and are accomplishing more for Missourians.

By reducing costs. By spending taxpayer money wisely. We are getting the best value for every dollar spent and we are able to think big when it comes to delivering transportation "wow" to the people of Missouri.

"Wow" was not the word that passed the lips of people in St. Louis when they found out we would be closing separate five-mile sections of Interstate 64 each of the next two years. I can't repeat many of those words here.

We closed the first five miles in the heart of the St. Louis region on January 2. Prior to the closure, headlines screamed predictions like "Apocalypse Now!" and "Traffic Nightmare!"

We, along with Gateway Contractors, St. Louis County, the city of St. Louis and the Highway Patrol, did everything in our power to keep those prophecies from becoming realities. We also provided a three million dollar incentive to Metro to increase ridership.

The people listened and, to their credit, the headlines immediately after the closure read "So far, so good," "Region's traffic nightmare a no-show," "Preparation Pays Off," and "Closure Off to Smooth Start." Commuters have adjusted their habits and have helped the region avoid its predicted traffic nightmare.

I particularly appreciated a letter from Representative Scott Muschany in which he states, "The smoothness of the entire project to date is a great testimony to your department's planning and regional leadership. The old MoDOT could not have pulled this off five years ago."

To further demonstrate the success of the project, the presidents' of Civic Progress, the Regional Chamber and Growth Association and the Regional Business Council jointly said in a letter "We look forward to more projects designed and managed by MoDOT, working together in making the region a more attractive place for business and continually improving economic opportunity and prosperity."

In 2010, St. Louis will enjoy ten miles of new, smooth pavement; 30 new, safer and more attractive bridges; and a new, safer high-speed interchange at Interstate 170. All of these improvements will be completed in three years instead of seven. That is real progress in our largest Metropolitan area. That is the biggest highway project in Missouri history. That shows how far we've come!

While the predicted crisis on I-64 didn't happen, we did have to respond to a real crisis right here in Jefferson City on November 27, 2007. We knew we had to act fast when an 8,000-gallon fuel tanker overturned and exploded on Highway 54 causing extensive damage to the Jefferson Street Overpass.

Within days, a complete replacement of the overpass was under contract. Working through snow, ice and extremely cold weather MoDOT employees and contractor Pace Construction tore down, rebuilt and reopened the overpass in just 37 days. Normally, this project would have taken months under the best conditions. That shows what we can do. That shows how far we've come!

The I-64 and Jefferson Street Overpass Teams are here today. Lesley Hoffarth and Tom Blair of MoDOT, Charlie Dooley and Garry Earls from St. Louis County, Captain Ron Johnson of the Highway Patrol and Ray Friem from Metro, as well as the Jefferson Street Overpass Team of Christopher Graham, Bryan Hartnagel and Jay Bestgen are in the gallery. I ask that they all stand and be recognized.

Bridges were certainly a major concern for motorists in 2007. The collapse of the Interstate 35 Bridge in Minneapolis directed renewed attention to the need for reliable transportation infrastructure and, particularly, bridge safety. We acted immediately to inspect all bridges similar in design to the one in Minnesota and to ensure their safety.

It is imperative, though, that we take major action to address a vast number of bridges quickly. With over 10,000 bridges, Missouri has the seventh most of any state in the union. We face a crisis as more than 1,000 are structurally in serious condition. Many are one step away from being closed.

That is why we initiated our Safe and Sound Bridge Improvement Program. 802 of our worst bridges will be repaired or replaced by 2013. I thank Gov. Blunt for calling a special session and the General Assembly for passing legislation to make sure this vital initiative moves forward.

In the aftermath of the Minneapolis bridge collapse, the nation was looking for answers and many eyes turned to the Show-Me State. Headlines nationally and internationally pointed to Missouri's innovative Safe and Sound Bridge initiative as a possible model for the entire nation.

Members of Congress took note and are watching our progress closely to see how it can be applied elsewhere. Even the Secretary of the United States Department of Transportation Mary Peters said that the Safe and Sound Bridge Program is "....attracting national attention for its especially creative approach...."

As of today, we are in the final stages of negotiations with Missouri Bridge Partners trying to bring this program to fruition.

While Safe and Sound will fix more than 800 bridges, it will not address our large river bridges that span more than 1,000 feet. I am pleased, however, that the Paseo Bridge in Kansas City will soon be replaced with a landmark structure. In November 2007, we awarded a contract that will lessen traffic congestion and increase mobility while adding an iconic bridge to the city's skyline.

The I-29 and I-35 connector project, known as kcICON, will result in safer, more convenient travel and a beautiful bridge that will be a Kansas City landmark for many decades to come.

This was also a landmark project because of the level of community involvement in its design. A 12-member citizen's advisory panel spent untold hours volunteering their time to choose a bridge that would add a dramatic architectural marvel to the city's skyline. They were given unprecedented access and input and their decision was final. That is a first in our nation. The result will be a bridge of which all Missourians can be proud. A bridge that shows how far we've come!

I am also pleased to report that Missouri and Illinois are in almost daily contact regarding another critical bridge project, the New Mississippi River Bridge in St. Louis. I remain hopeful that an agreement can be reached soon to move this project forward.

Unfortunately, there are many more major river bridges in Missouri that need to be replaced or repaired. In fact, we have more than any other state and more than 25 states combined.

To replace all the large bridges that need to be fixed would cost seven billion dollars. To make sure they are at least in satisfactory condition would cost 300 to 500 million dollars over 10 years. Either way we don't have the money.

Which brings me to another important topic. What would a State of Transportation Address be without a discussion of funding? It wouldn't be this one.

The perfect storm continues to brew on the transportation horizon. Three major factors are stirring up gale force winds that are coming on like a freight train set to arrive in 2010.

At that time, Amendment 3 bond money will be used up. We have been able to make great improvements to our highways and bridges quickly because of voter mandated bonding, but the proceeds dry up and future Amendment 3 revenues will go to repay the bonds.

On the federal front, money for highways is set to plummet unless Congress takes bold steps to prevent the tumble. In 2010, we will likely go from a 43 billion dollar federal highway program to a 25 billion dollar one -- a forty percent drop.

While we produce projects of great value through radical cost controls and budget management, the fact is our dollars are buying fewer projects overall because of rising costs for the materials that go into our roads and bridges.

For example, since 1997 state revenue for roads and bridges has grown 36 percent. At the same time, asphalt prices rose 97 percent - almost three times as much. Concrete has risen 48 percent. Steel has increased 57 percent. And, fuel to mow right of ways and move dirt has increased an incredible 204 percent.

In 2010, these factors converge and the bottom drops out of Missouri's transportation funding. We go from a 1.2 billion dollar construction program in 2005 to a 569 million dollar one. From the largest highway-building program in Missouri history to one where we will struggle to maintain roads. We will go from an improving highway system to one that is deteriorating.

And while I would love to stand here and expound on all the great achievements we have had making our other modes of transportation better, funding for those vital services has never been adequate. It is showing.

Ridership on Amtrak is growing in every state - except Missouri. Infrequent trips. Consistent delays of two hours or more. Passengers having to ride buses. It is little wonder Missourians are not flocking to Amtrak.

We have a plan to address Amtrak. It starts with allocating an additional 10 million dollars in funding to add tracks and install electronic on time messaging at stations across the state. I urge your support for this package. We must keep passenger rail viable in Missouri.

At the same time, I commend Gov. Blunt for proposing a four million dollar increase in funding for ports. Missouri is blessed with an abundance of waterways. It is imperative we invest more in this underused freight movement and transportation mode. We must see similar investment in aviation, public transit and bike and pedestrian facilities.

I am very concerned that the investments made in transportation by our grandparents that have given us unprecedented mobility and prosperity are not being made by our generation. Our children and grandchildren will not enjoy the same economic advantages and quality of life because of our refusal to pass along a comparable legacy.

Clearly, our transportation needs are great. The people of Missouri have identified 37 billion dollars in transportation priorities over the next 20 years. We project only 19 billion dollars in funding. That means an 18 billion dollar gap, not including inflation, between our needs and our ability to meet them. While the public has filet mignon expectations, MoDOT has Filet O' Fish funding.

I am encouraged that the discussion of transportation funding is ongoing and vibrant. More and more policy makers and key public opinion leaders are expressing concern about our looming funding crisis. They are exploring options for keeping us from going over the cliff.

Sen. Bill Stouffer and Rep. Neal St. Onge deserve credit for putting forward proposals that would dramatically increase funding for transportation. They are also leading efforts to educate the public about this dire situation.

Other innovative proposals have been put forth such as Sen. John Loudon's legislation to dedicate a portion of the growth in general revenue to transportation. Meanwhile, Sen. Matt Bartle continues to promote tolls as another tool to pay for needed highway improvements. I commend their leadership.

The discussion of funding must also include public private partnerships. Private sector investment in public sector improvements is a fact of life in today's global economy. I appreciate that Representative Charlie Schlottach has recognized that fact and is seeking to make public private partnerships a more readily available option for funding vital transportation projects.

The needs that directly impact our state's economic competitiveness are not going away. Our two busiest interstates, I-70 and I-44, are overcrowded and that congestion is growing everyday. They also have been stretched beyond their limits. The seven billion dollars necessary to completely rebuild and expand them -- with dedicated truck lanes to separate 18-wheelers from family sedans-- is a monetary illusion as we stand today.

What isn't an illusion is that climate change is an issue we must address. Discussions about transportation from here on out will include greater emphasis on environmentally sensitive approaches and solutions.

MoDOT is doing its part to be a greener organization and to protect the environment. We are using recycled roof shingles, tires and other materials in our pavement. In 2007, MoDOT used more than three million tons of asphalt containing recycled material on 1,020 miles of highway. Our efforts earned us the State Recycling Award last year.

At the same time, our entire vehicle fleet uses E-85 ethanol fuel and we use more biodiesel than all other state agencies combined. Plus, we are the first government agency in the nation to use hybrid bucket trucks. We are dedicated to being good stewards of the environment and we know that projects like the reconstruction of I-70 and I-44 must have a significant green focus.

There is no question environmental issues will play a large role in the reconstruction of these two interstates. There is, however, a question about how we will reconstruct them and the answer is more funding.

But, why should you trust us with more money? Because we have come a long way in just five years and we have shown you the results.

During my first address to the General Assembly, I made a lot of bold statements about how MoDOT would improve dramatically and as a result so would Missouri's transportation system.

I also said that I understood this is the Show-Me State and that we would have to show you the results. At that point, Speaker Rod Jetton started clapping verifying that we would indeed have to show him.

I would like to read you a quote from last December. "I gave MoDOT a hard time when it didn't perform well, and I feel I should brag on MoDOT now that it has things fixed. I am proud of MoDOT and the job it is doing. Seven years ago I never thought I would be able to say that. I can tell you it's great for Missouri. It's great for our economy. And, most importantly, it's great for our families."

I think you know where I'm going with this. The person who said that is Speaker Rod Jetton. We showed the speaker results and we are showing all Missourians results. That shows how far we've come!

The Show-me state is seeing results. We have installed median guard cables on I-70, I-44 and other interstates virtually eliminating cross over fatalities. We have expanded customer service to where you can reach a live person at MoDOT 24 hours a day, seven days a week, 365 days a year. We have reduced roadway fatalities by 23 percent in two years. We have gone from the third worst highway system in the country to an estimated ninth best.

We have come in under budget on 5.7 billion dollars in highway construction since 2003. And, we have saved 500 million dollars through Practical Design, which delivers highway improvements without unnecessary frills.

Secretary of Transportation Mary Peters has said that "The Show-Me State is showing America how to deliver highway projects on budget and on schedule, and even ahead of schedule."

We are showing the nation and we are showing Missourians how far we've come. Customer satisfaction in MoDOT has climbed dramatically since 1999. 79 percent of Missourians say they think MoDOT is credible and worthy of their trust. That shows how far we've come!

We have come a long way in a short time. We are saving lives. We are making highways smoother. We are saving taxpayers' money. We are involving and listening to citizens. We have regained the trust of the people of this state.

Our remarkable turnaround has been noticed nationally and in our state. In November of last year, MoDOT won the prestigious Missouri Quality Award. We went through a rigorous review and emerged with an award that recognizes innovation, leadership, customer service, efficiency and that confirms we are a high performing organization on par with past winners like Boeing, Anheuser-Busch and Sprint. Winning the Missouri Quality Award demonstrates how far we've come!

We have come a long way, but we know success is not a destination -- it is a journey. And, the only way we succeed is together. For MoDOT's part, we remain committed to our mission of "Providing a world-class transportation experience that delights our customers and promotes a prosperous Missouri."

I bring this final address to a close, however, with a statement I made in 2005. We have shown you amazing progress. But, you ain't seen nothin' yet!

Thank you and may God bless your travels.